

Funding Problem Gambling Services: Examples from Across U.S. States¹

Massachusetts:

Funding Source: Gaming tax on casinos; 5% of gross gaming taxes collected by state goes to Public Health Fund.

The Gaming Act allocates significant resources to the areas of research and problem gambling. When fully operational, a public health trust fund will count with \$15 – \$20 million annually to study, allocate, prevent and treat problems associated with problem gambling. This will make Massachusetts the state in the U.S. that dedicates the most resources to this area.

. . . an annual fee of not less than \$5,000,000 in proportional shares against each gaming licensee in proportion to the number of gaming positions at each gaming establishment for the costs of service and public health programs dedicated to addressing problems associated with compulsive gambling or other addiction services. Such assessed fees shall be deposited into the Public Health Trust Fund . . . (MGC, 2013, p. 4) ...a Gaming Revenue Fund shall receive revenues collected from the tax on gross gaming revenue received from gaming licensees; 5 per cent of this tax will go to the Public Health Trust Fund.

Oregon

Funding Source: State Lottery; 1% of net proceeds goes to Problem Gambling Treatment Fund.

In 1992, the State of Oregon enacted SB118, which designated 1% of Lottery revenues to be allocated to a Gambling Treatment Fund to address problem gambling and assigned the Oregon Health Authority (OHA) to administer that fund. In 2009 that amount was \$4,700,000, and at the time of this survey (SFY 2013) the dedicated problem gambling service budget was \$5,100,000.

Ohio

Funding Source: Gaming tax on casinos; 2% of gross gaming taxes collected by state plus 0.5% of Lottery net proceeds goes to Problem Gambling and Other Addictions Fund.

Enacting legislation directed 2% of casino taxes to a Problem Gambling and Other Addictions Fund, that fund can be used to support both problem gambling and other addiction services. The Ohio Department of Alcohol and Drug Addiction Services has administrative control over these funds. Almost all of those funds are being distributed to counties, based on population size, where the counties or regions (referred to as Boards) submit Department a plan as to how they will program the funds. Ohio is taxing casinos at approximately 33%, of that PGOAF receives 2% of that taxed amount (estimated at \$5.94 million annually).

¹ The majority of this information obtained from survey data from the 2013 National Survey of Problem Gambling Services.

Additionally, the Ohio Lottery will allocate 0.5% to problem gambling services, coming up in 2014, no plan in place for how that will be programmed.

Kansas

Funding Source: Gaming tax on casinos; 2% of gross gaming taxes collected by state goes to Problem Gambling and Addictions Grant Fund

In 2007, the State of Kansas enacted SB66, which created a Problem Gambling and Addictions Grant Fund sourced by set amounts from Lottery and Bingo revenue and 2% of State-Owned Casino Revenue. SB66 designated the Kansas Department for Aging and Disability Services (KDADS) with authority over this fund but did not specify what portion of the distribution goes toward problem gambling services and what portion goes toward other addictions. In FY13, 9% of the fund was budgeted to problem gambling services, equating \$740,000.

Minnesota

Funding Source: Charitable gaming tax; 0.5% of gross gaming taxes collected by state goes to Compulsive Gambling Treatment Program

In the 2012 legislative session, a bill passed that appropriated 0.5% of tax revenues from forms of charitable gambling to the state's Compulsive Gambling Treatment Program under the Department of Human Services. Additionally, 0.5% was appropriated to the state affiliate of the national council on problem gambling.

Illinois

Funding Source: Subject to appropriation; funds from "Gaming Fund" allocated to problem gambling services. No formula.

All members of gaming industry, except Lottery contribute to the "Gaming Fund", the initial allocation with \$2M per year, it went to \$1.5M, then to \$900,000, and has stabilized at \$960,000.

Florida

Funding Source: \$250,000 levied on each Racino in the state designed for compulsive gambling programming.

Division of Business and Professional Regulation (DBPR) receives \$250,000 for each Racino in the state that is designed for compulsive gambling programming. There are 8 Racinos in Florida equating to a total allocation of \$2,000,000 designated to go to compulsive gambling programming. Of that \$2M, DBPR contracts \$600,000 to the Florida Council on Compulsive Gambling to operate a problem gambling helpline, to assist with Racinos with responsible gambling programming and training, and to conduct a variety of problem gambling awareness and prevention activities (as designated in approved Department annual work plans).

West Virginia

Funding Source: State Lottery to provide a maximum of \$1.5 million to the Compulsive Gambling Treatment Fund.

The West Virginia Lottery Commission is the sole funding source for the PGHNWV. In SFY12, state law directed the West Virginia Lottery to provide a maximum of \$1.5 million from Racetrack Video Lottery and Limited Video Lottery to the Compulsive Gambling Treatment Fund.

New Mexico

Funding Source: Required set-aside from casino and racinos to spend no less than 0.25% of net revenue to support programs for the treatment and assistance of compulsive gamblers

In 1998, the State of New Mexico enacted the Gaming and Liquor Control Act NMAC 15.1.1.1, which included a provision where racinos and charitable gaming operators are required to spend no less than .25 of 1% of their net win revenue on support programs for the treatment and assistance of compulsive gamblers. Each gaming operator develops their own plan for those funds. Those plans are submitted to the Department of Gaming for approval. The result is a non-centralized effort to address problem gambling where funding does not pass through a state agency. Most of the Racinos program a sizable portion of their responsible gaming (RG) funds to the New Mexico Council on Problem Gambling (NMCPG) while the Indian Gaming Casinos exercise greater diversity in how they program their RG funds. Additionally, in SFY 2013 the New Mexico Lottery Corporation provided \$87,400 in funding to the NMCPG to support the New Mexico Problem Gambling Helpline. Historically, the Behavioral Health Services Division (BHSD) has received general fund dollars to support the Governor's Compulsive Gambling Council; however for SFY13 those funds have reverted to the treatment fund of the BHSD.

Washington

Funding Source: Business and Occupation Taxes imposed on persons engaging in the business of operating contests of chance (such as social card games, bingo, raffles, punchboard games, and pull-tabs, but not state lottery games or amusement games), or conducting horse race meets. The amount of tax is 0.13 percent of that gross income. This tax does not apply to businesses operating contests of chance that have gross gambling income under \$50,000 per year

In 2005, the State of Washington enacted ESHB-1031, which designated how monies from a Business and Occupation Tax imposed on card rooms, pull tabs, and punch boards were to be allocated to address problem gambling and assigned the Washington Department of Social and Health Services, Division of Behavioral Health and Recovery (DBHR), to administer that fund. In 2009 that amount was \$546,355, and at the time of this survey (SFY 2013) the dedicated problem gambling service budget was \$724,000.

Pennsylvania

Funding Source: Gaming tax on casinos; .002 multiplied by the total gross terminal revenue of all active and operating licensed gaming entities transferred annually into the Compulsive and Problem Gambling Treatment Fund plus this fund receives an additional \$3 million annually from the State Gaming Fund.

The Department of Drug and Alcohol Programs (Department) has developed and implemented a comprehensive, coordinated and effective compulsive and problem gambling program for the commonwealth since the passage of Act 2004-71 and amendment of Act 2010-01. As stated in Act 2010-01, the sum of \$2 million or an amount equal to .002 multiplied by the total gross terminal revenue of all active and operating licensed gaming entities (whichever is greater), shall be transferred annually into the Compulsive and Problem Gambling Treatment Fund for the compulsive and problem gambling program. From these funds, the Department annually distributes 50 percent of the monies to the Single County Authorities (SCA) to be expended solely for problem gambling needs assessment, prevention programs, outreach, educational programs, and other Department approved services. Additionally, Act 2010-01 created a requirement to transfer \$3 million annually from the State Gaming Fund to the Department. The full amount of these funds are allocated to the SCAs solely for financing drug and alcohol addiction assessments, including drug and alcohol addiction assessments associated or related to compulsive and problem gambling, as well as for the related addiction treatment in non-hospital residential detoxification facilities, non-hospital residential rehabilitation facilities and halfway houses licensed by the Department to provide addiction treatment. PA has one commercial casino that is owned by the Mohegan Tribe from CT. Any responsible gaming promotion will occur under the gaming board, which is not included in this response. Funding stated for FY13 based on \$8,163,000, plus \$155K PaGCB

Louisiana

Funding Source: PGS funding from 500K from each form of gambling: video poker, river boat, land based casino, lottery, slots at the track.

In 1995, the State of Louisiana enacted Acts 1014 and 1215, which designated how monies from each form of gambling (video poker, river boat, land-based casinos, lottery, and electronic gaming machines) were to be allocated toward a problem gambling fund administered by the Office of Behavioral Health (OBH).

Iowa

Funding Source: .05% of gross revenue from state regulated casinos and Iowa Lottery

In 2009 the Gambling Treatment Fund was eliminated. There still exists an allocation of .05% of gross revenue from state regulated casinos and Iowa Lottery but that is immediately deposited to the general fund. The IDPH Office of PG Treatment and Prevention receive an allocation from the general fund. Typically \$3-\$3.2 million.

New Jersey

Funding Source: . Brick and mortar casinos affiliated with online betting must contribute \$250,000 per year to New Jersey's gambling rehabilitation fund

When New Jersey governor Chris Christie recently legalized casino-affiliated online gaming in his state (read this), he added a provision: every brick and mortar casino affiliated with online betting must contribute \$250,000 per year to New Jersey's gambling rehabilitation fund. Christie said the state's current rehabilitation budget of \$850,000 per year would enjoy a healthy boost from this requirement. The governor's move marks the first time casinos have been legally required to contribute to their home state's gaming addiction treatment fund.

Nevada

Funding Source: Annual slot machine levy where \$2 for each slot machine deposited into the Revolving Account for the Prevention and Treatment of Problem Gambling

In 2005, the Nevada State Legislature passed Senate Bill 357 to create the Revolving Account for the Prevention and Treatment of Problem Gambling and an Advisory Committee on Problem Gambling (ACPG) to advise the Department of Health and Human Services (DHHS) in its administration of this account. Created from Senate Bill 357 were Nevada Revised Statute (NRS) 458A, which provided the administrative structure for Nevada's publicly funded problem gambling treatment and prevention programs, and NRS 463.320(e), which stipulated that an amount equal to \$2 for each slot machine was to be deposited into the Revolving Account for the Prevention and Treatment of Problem Gambling. The 2007 Legislature amended NRS 463.320(e) to remove a sunset provision and left the funding in place.

Delaware

Funding Source: Lottery allocation.

A portion of Lottery proceeds are channeled into the Department of Health and Social Services, through the General Fund, to address problem gambling concerns. In FY 2014 the Lottery contributed nearly \$1.75 million to help fund problem gambling programs offered by the Delaware Department of Health and Social Services.

California

Funding Source: Tribal gaming; funds from Indian Gaming Special Distribution Fund allocated to Office of Problem Gambling and the state lottery contributes \$120,000.

In 2003, the State of California enacted AB 673, which designated how monies from an Indian Gaming Special Distribution Fund, Lottery Fund, and Gambling Addiction Fund were to be allocated to address problem gambling and established the Office of Problem Gambling (OPG), Department of Alcohol and

Drug Programs (ADP) to administer that fund. In 2009 that amount was \$8,681,000, and at the time of this survey (SFY 2013) the dedicated problem gambling service budget was \$8,661,000.

Arizona

Funding Source: Tribal gaming; Two percent of the tribal contributions made to the Arizona Benefits Fund plus a “good will” lottery contribution of \$300,000.

IN the 2002 general election prop 202 was passed. (the "Indian Gaming Preservation and Self-Reliance Act") stated: “Two percent [of the tribal contributions made to the Arizona Benefits Fund], shall be used by the Department of Gaming to fund state and local programs for the prevention and treatment of, and education concerning, problem gambling.” The Office of Problem Gambling has been established by the Dept of Gaming to fulfill this responsibility. The Lottery’s contribution, \$300,000, is provided on “good will” there are no rules or statutes that require contribution (not legislated).

Maryland

Funding Source: Annually casinos are assessed \$425 per slot machine and \$500 per table game.

In Maryland, the casinos are required to contribute to a fund that helps address problem gambling and is administered by the state’s Department of Health and Mental Hygiene. The casinos are assessed \$425 per slot machine and \$500 per table game each year.

In the past fiscal year, that came to just under \$4 million — or less than half a percent of the casinos’ annual total revenue.

Code of Maryland: 9–1A–33.

- (a) (1) The Commission shall:
 - (i) establish an annual fee of \$425, to be paid by each video lottery operation licensee, for each video lottery terminal operated by the licensee during the year, based on the maximum number of terminal positions in use during the year; and
 - (ii) distribute the fees collected under item (i) of this paragraph to the Problem Gambling Fund established in subsection (b) of this section.
- (2) The Commission may establish an annual fee of up to \$500 for each table game to be paid by each video lottery operation licensee and distributed to the Problem Gambling Fund under subsection (b) of this section in order to ensure sufficient funds are available to provide requested services.
- (b) (1) There is a Problem Gambling Fund in the Department of Health and Mental Hygiene.
 - (2) The Problem Gambling Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.
 - (3) Money in the Problem Gambling Fund shall be invested and reinvested by the Treasurer, and interest and earnings shall accrue to the Fund.
 - (4) Except as provided in paragraph (5) of this subsection, expenditures from the Problem Gambling Fund shall be made only by the Department of Health and Mental Hygiene to:
 - (i) establish a 24–hour hotline for compulsive and problem gamblers and to provide counseling and other support services for compulsive and problem gamblers; and

(ii) develop and implement problem gambling treatment and prevention programs, including the programs established under Title 19, Subtitle 8 of the Health – General Article.

(5) After satisfying the requirements of paragraph (4) of this subsection, any unspent funds in the Problem Gambling Fund may be expended by the Department of Health and Mental Hygiene on drug and other addiction treatment services.

(6) Expenditures from the Problem Gambling Fund shall be made in accordance with an appropriation approved by the General Assembly in the annual State budget or by the budget amendment procedure provided for in § 7–209 of the State Finance and Procurement Article.